

The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

NOTICE OF FILING AND PUBLIC HEARING

D.T.E. 06-36 May 1, 2006

Petition of Bay State Gas Company, pursuant to 220 C.M.R. § 1.04(5), for approval by the Department of Telecommunications and Energy of a proposal to implement an incremental capacity planning standard for grandfathered customers and approval of related modifications to Bay State Gas Company tariffs M.D.T.E. No. 35, Distribution and Default Service Terms and Conditions, and M.D.T.E. No. 36, Cost of Gas Adjustment Clause.

On March 31, 2006, Bay State Gas Company ("Bay State" or the "Company"), filed with the Department of Telecommunications and Energy ("Department") a petition for approval of a proposal to implement an incremental capacity planning standard for grandfathered customers and approval of related modifications to Bay State Gas Company tariffs M.D.T.E. No. 35, Distribution and Default Service Terms and Conditions, and M.D.T.E. No. 36, Cost of Gas Adjustment Clause ("Petition"). The Company states that the Petition is in response to a Department directive to Bay State in <u>Bay State Gas Company</u>, D.T.E. 05-27 (2005), to submit for Department review, a proposal to monitor overtakes by grandfathered transportation customers. This case has been docketed as D.T.E. 06-36.

The Company seeks approval to implement an incremental planning standard into the Company's resource planning process, whereby 30 percent of grandfathered customer loads (design day requirements) would be included in Bay State's forecasted requirements. Consistent with the Company's proposal, Bay State also requests modifications to tariffs M.D.T.E. No. 35, Distribution and Default Service Terms and Conditions, and M.D.T.E. No. 36, Cost of Gas Adjustment Clause, which would institute a charge to allow recovery from grandfathered, capacity exempt customers for the cost of required resources. Bay State also seeks approval of changes to its nomination and balancing protocols reflected in M.D.T.E. No. 35 that would allow the Company to monitor more closely the potential for unauthorized overtakes by grandfathered customers.

D.T.E. 06-36

The Department will conduct a public hearing to receive comments on the Company's Petition. The hearing will take place on **Thursday**, **May 18**, **2006**, **at 10:00 a.m.** at the Department's offices, One South Station - 2nd Floor, Boston, MA 02110. Any person who desires to comment may do so at the public hearing or submit written comments to the Department not later than the close of business (5:00 p.m.) on Wednesday, May 17, 2006.

A copy of the Company's filing is on file at the Department's offices, One South Station, Boston, Massachusetts for public view during business hours. Copies are also on file for public view at NiSource Corporate Services, 300 Friberg Parkway, Westborough, Massachusetts 01581. Any person desiring further information regarding the Company's filing should contact counsel for Bay State Gas Company, Patricia M. French, Esq., at (508) 836-7394. Any person desiring further information regarding this notice should contact Julie Howley Westwater, Hearing Officer, Department of Telecommunications and Energy, at (617) 305-3500.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department not later than the close of business (5:00 p.m.) on Thursday, May 11, 2006. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03, including a description of the manner in which the petitioner is substantially and specifically affected by this proceeding. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A late filed petition may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

An original of all written comments or petitions to intervene must be filed with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station - 2nd Floor, Boston, Massachusetts 02110. One copy each of all written comments and petitions to intervene must also be sent to Cynthia Bradbury, Rebecca Hanson, Andreas Thanos, George Yiankos, Julie Howley Westwater, and John Cope-Flanagan at the Department of Telecommunications and Energy, and one copy each to counsel for the Company, Patricia M. French, Esq., NiSource Corporate Services, 300 Friberg Parkway, Westborough, Massachusetts 01581, and Robert L. Dewees, Jr., Esq., Nixon Peabody LLP, 100 Summer Street, Boston, Massachusetts 02110.

All written comments also should be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and julie.westwater@state.ma.us, or (2) on a 3.5" disk. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding [D.T.E. 06-36]; (2) name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing also should include the name, title and telephone number of a person to contact in the event of questions about the filing. Text responses should be created in either

D.T.E. 06-36

Corel Word Perfect, Microsoft Word, or as an Adobe-compatible PDF file. Data or spreadsheet responses should be compatible with Microsoft Excel. All comments submitted in electronic format will be posted on the Department's Web site: http://www.mass.gov/dte/.



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ORDER OF NOTICE

D.T.E. 06-36 May 1, 2006

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Bay State Gas Company ("Bay State") shall, no later than fourteen (14) days prior to May 18, 2006, give notice of filing and said hearing by service to each Bay State grandfathered customer, all marketers within the Bay State service territory, parties and participants in docket D.T.E. 05-27 and by publication hereof in The Boston Globe or Boston Herald. Bay State is required to make return of service, to include the original clippings of the newspaper publications, at the time of the hearing.

By Order of the Department,

____/s/_ Mary L. Cottrell, Secretary